Larger facilities are provided for other hospitals including the Mental Hospital.

Under "Ayurveda" four new hospitals are provided besides 5 new Vaidyasalas and a Herbarium. Grants to Vishavaidyans are extended to new centres. Larger provision is made for medicines, diets and equipments.

The coastal areas have no good drinking water and this seriously affects the health of the large number of people living in these areas. A scheme has been put up for the supply of Alwaye water by extending the pipeline to Chellanam at a cost Rs. 1·67 lakhs. Supply of good drinking water to Azhikkal and the neighbourhood is proposed to be continued through boats.

Against Illiteracy.—In a planned development there is no room for precedence of one aspect of development over the other. It is one organic whole; Agriculture, Industry, Education, Health—all have to march alongside along a set route, to set a goal, in a set time. In spite of all the restrictions placed on them by other demands, the Government have passed orders on the report of the Code Revision Committee involving heavy additional expenditure and considerable loss of fee income. They have made Primary Education universal and free as education alone can make better agriculturists and more efficient workers. Government propose to assume management of 23 Primary Schools in the ensuing year besides raising some schools by opening upper divisions. Government have also decided to reimburse the management of all fee concessions under certain conditions.

Greater emphasis is laid on the development of the physical side of education by organising a well-trained staff of physical directors and by providing the required playgrounds and gymnasia.

Noon-day feeding of children in primary classes has become a regular feature of our educational activity even though the expected non-official help has not been forthcoming. For next year, a provision of Rs. 5·6 lakhs has been made for the purpose.

A revision of the salary of teachers has been given effect to costing in all an average increase of Rs. 7 to 8 lakhs in order to create an efficient and contented teaching staff.

The introduction of compulsory Provident Fund for aided service is expected to cost the Government a large sum of Rs. 75,000 by way of contribution.

Technical, Commercial and Art Education

This branch of education is sure to assume great importance in the new India when the large scale expansion of industries will create a greatly increased demand for technicians of all grades for skilled craftsmen, intelligent foremen and research workers. A new Technological Institute has therefore been opened in the year to meet this demand and considerable provision has been made in the budget for developing technological and commercial education in the State.

All these features of the Education budget are expected to raise the expenditure on Education to about Rs. 52 lakhs against the actuals of about Rs 29 lakhs in 1120 and Rs. 18 lakhs ten years ago.

Having explained the main ideals set up for framing the budget I shall now briefly touch upon some Departments which require special mention.

Law and order services

The mechanisation of the Police Force at a cost of Rs. 1 lakh, the revision of salary of the High Court Judges, the revival of the additional Anjikaimal District Court which was under suspension, the return of the State Force on garrison duty ex-State are some of the features of these heads of expenditure. A thorough strengthening and revision of pay of the Security Police Force in the Harbour area costing Rs. 1·82 lakhs has been included under "41 Miscellaneous", a part of this expenditure being recoverable from the Port Authorities.

Passing over the Administrative Services like the "General Administration" and "Finance and Accounts" and the Collection Services like "Land Revenue", "Excise", "Customs", "Forests", "Stamps", "Income-tax", etc., I now come to "Controls".

Controls.—A food crisis as grave as that of 1118 is now facing India and we had, necessarily though reluctantly, to reduce our rations. It is hoped that with the next harvest and importation of more food grains the crisis will be successfully tided over. In the matter of Food Supplies we are thus not yet out of the woods. We have therefore provided for the continuance of the full

LIBRARY ARCHIVES Kerala Legislative Assembly

complement of the establishment of the Supplies Department including the grain purchase, price control, etc. staff. A preliminary examination of the Profit and Loss Accounts of 1120 discloses a loss of about Rs. 18 lakhs mainly due the subsidised sale of rice, interest on working capital, etc. Government are keeping a close watch over the situation and would be constantly reviewing the requirements with a view to retrenchment whenever possible.

Cloth Control.—The cloth situation is quite unsatisfactory as it is bound to be when the supply falls too short of the demand. This is the condition everywhere in India and it cannot but remain so till we get enhanced quotas. To remove the complaints about distribution and with a view to have more effective control over the stock movements a very large field staff has been recently sanctioned and it is hoped that these efforts will positively improve the position.

Socio-Economic Services.—Like Co-operation, Uplift of the Depressed Classes, Labour, etc., continue to receive more attention. Additional staff are proposed for organising new societies chiefly of the non-credit type. Larger allotments have been provided under "Stipends for the Depressed Classes" and for encouraging small scale industries in the colonies. The organisation of a new department of Labour in the course of the year will be of great utility in the coming era as it establishes a liaison between Capital and Labour.

It may be noted from the budget that the Development services are allotted about 50 per cent of the revenues of the State, "Education" itself consuming about 16 per cent, the per capita expenditure on this account working out to about Rs. 3—12—0 against 8 as. 9 ps. per head in British India.

Capital Schemes.—With altered conditions facing us, the speeding up of capital schemes has become important and a sum of Rs. 53·47 lakhs is provided. The Town Improvement Works of Ernakulam, Mattancheri, Trichur and Tripunittura, the completion of the Anamali road, the contemplated expansion of the electrical services to rural areas, the Poringalkuthu Hydro-Electric scheme and the intensification of the irrigation schemes are designed to enhance the national wealth and to raise living conditions to modern standards. If the desired progress has not been achieved till now, it was mainly because of insurmountable difficulties to procure men and machinery.

Revenue Reserve Fund.—We started the year with a credit of Rs. 76·75 lakhs in this fund which was enhanced to Rs. 91·75 lakhs in the course of the year by the addition of a sum of Rs. 15 00 lakhs out of the realised surplus of 1120. Out of this a sum of Rs. 25·00 lakhs has been transferred to the Industrial Development Fund, and another sum of Rs. 3·25 lakhs to the Panchayat Department for rural reconstruction works leaving Rs. 63·50 lakhs to the credit of the fund at the close of the year. In the ensuing year a sum of Rs. 25·00 lakhs more is proposed to be appropriated for works of post-war development and rural reconstruction. The list of new services appended to the Explanatory Memorandum will give an idea of the varied programme of development works contemplated for the next year.

The closing balance in the fund is expected to stand at Rs. 38·50 lakhs at the close of 1122.

Ways and Means.—The revenue surplus according to the Revised Estimate of 1121 is expected to be only Rs. 1·04 lakhs and next year we are to have a defict of Rs. 31·81 lakhs. The loan amount of Rs. 100 lakhs raised this year stands invested and together with all our old investments, our investments in deposits and securities would now stand at Rs. 240·32 lakhs. Against this we have to finance capital schemes costing Rs. 53·47 lakhs and food supplies costing Rs. 500 lakhs in 1122. The ways and means programme of the year is therefore proposed to be carried on by resorting to the over draft accommodation with the Government Bankers, whenever such is advantageous.

Financial Position.—The accumulated surplus or the net asset stood at Rs. 140·70 lakhs at the end of 1120 besides a sum of Rs. 91·75 lakhs in the Revenue Reserve Fund or Rs. 232·45 lakhs in all. The transactions of the year 1121 are to yield only a nominal surplus of Rs. 1·04 lakhs.

At the end of the year we shall be having a net asset of Rs. 141·74 lakhs besides a sum of Rs. 88·50 lakhs in the Revenue Reserve and Industrial Development Funds or an aggregate of Rs. 230·24 lakhs.

At the end of 1122 the net asset will stand reduced to Rs. 109·94 lakhs besides a sum of Rs. 63·50 lakhs in the Revenue Reserve and Industrial Development Funds or an aggregate of Rs. 173·44 lakhs.

LIBRARY ARCHIVES Kerala Legislative Assembly

Sound as our finances are, the days of surpluses, appear to be over. We have to reckon with inelastic sources of revenue and growing needs with the result that we are obliged to make inroads into our reserves. The necessary expenditure on the nation-building services such as "Education," "Medical," "Public Health," "Public Works," etc., cannot be stinted in the interest of the people and we have to broad-base our tax resources and find out the money if we are not to starve the nation. Compared to taxation levels elsewhere, ours is perhaps the lowest and the amenities secured to our people are comparable to those anywhere in India and we cannot reasonably fight shy of any equitable tax, essential in the interest of the people at large.

Cranganur.—The chronic deficits of Cranganur had given place to small surpluses during the last two years—the years 1119 and 1120 having yielded small surpluses of Re. 0·38 lakh and Rs. 253 respectively due to the inflantionary receipts of war. According to the Revised Estimates we anticipate a surplus of Re. 0·20 lakh against Re. 0·45 lakh estimated in the bubget, the Revised Estimates of revenue and expenditure being Rs. 4·22 lakhs and Rs. 4·02 lakhs while the original budget estimates expected a revenue of Rs. 4·05 lakhs against an expenditure of Rs. 3·60 lakhs.

For 1122 we budget for a revenue of Rs. 4·02 lakhs and propose an expenditure of Rs. 4·58 lakhs resulting in a deficit of Re. 0·56 lakh. As in the case of the State the inflationary revenue is giving way while the expenditure is on the increase. The problem of balancing the Cranganur Budget still remains a baffling one.

Conclusion.—I have now rendered to you a short account of the financial position of the State. I apprehended last year that conditions may soon change causing great fall in our revenues without a corresponding reduction in expenditure. This has come about all too soon as I have explained above.

I also ventured to suggest last year as follows.—

"Though it is hazardous to prophesy how far the fall in revenue will be offset by the fall in expenditure the possibilities are that the fall in revenue will be considerable and it may be advisable to take stock of the situation and adopt suitable measures in time to see that the essential services are not starved."

The budget before you is shorn of all avoidable items of expenditure. It provides only for the minimum requirements of the services. In making provision for adequate funds for post-war reconstruction measures we have been faced with a deficit of Rs. 56·81 lakhs. We had therefore to indent on the Revenue Reserve Fund to the extent of Rs. 25 lakhs which has reduced the deficit to Rs. 31·81 lakhs. As I have shown, this deficit is solely due to the adoption of the necessary measures for promoting the welfare of our people and raising their standard of living and in this struggle some sacrifice is demanded of us. I am sure that the House would fully agree with me that every endeavour has to be made for improving our revenues so that we may meet in full the post-war demands for improving the prosperity of the people. The only equitable source I can think of is the introduction of the "Sales Tax" as has been effected in British India. A stepping up of Income-tax rates may also render some help in this direction. These small sacrifices from us are worthy of the cause as they aim at ushering in a brighter and happier "Cochin" and I hope the House will heartily respond to those demands of the Government and thus ensure the greater happiness of the people whose welfare is our prime consideration.

"DEMANDS FOR SUPPLEMENTARY GRANTS"

2 A—Agriculture—5 (c)—Other Charges

Mr. Parambi Lonappen *(Minister for Public Health)*: Sir, I rise to move for an additional allotment of Rs. 870 under 2-A-5 (c) Other charges. The gardens attached to the Cochin House, New Delhi, have been recently taken charge of by the Agricultural Department. There is no provision in the current year's budget towards the maintenance charges of this garden. The Cochin House was handed back to the State only during this year, and hence no provision could be made when the current year's budget was framed. An expenditure of Rs. 870 is required for the purchase of manure, implements, etc., for the maintenance of the garden. An additional allotment of Rs. 870 is necessary under the above head. I request that the grant may be made.

Demand put and carried

LIBRARY ARCHIVES Kerala Legislative Assembly